

SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY

FUNDING SOURCE ANALYSIS

January 30, 2007

I. KRM COMMUTER RAIL ONLY (\$4.2 million annually in 2006 dollars assuming \$200 million project cost and funding for local operating cost share and debt service on local share of capital costs – See Appendix 1 for revised project costs)

Solution A:

In Kenosha, Milwaukee, and Racine Counties only	<u>Revenue</u>
• Increase car rental tax from \$2 to \$4	\$ 650,000
• Annual auto and light truck registration fee surcharge of \$4.00	<u>\$3,800,000</u>
	\$4,450,000

Solution B:

In Kenosha, Milwaukee, and Racine Counties only	
• .03% RTA sales tax (\$3 per \$1000)	\$5,000,00

II. LOCAL TRANSIT COST PICKUP

To be resolved when Milwaukee, Racine, and Kenosha Counties reach a consensus on their recommended funding source and so notify the RTA Board of Directors, who will in turn make said recommendation to the Governor and Legislature with a request to act on said recommendations as soon as possible in order to meet the New Starts application deadline.

III. OTHER FUNDING SOURCES EXAMINED/CONSIDERED

A. Transit Development Benefit Fee (captures development increments and/or fees from development within one-half mile radius of new train stations)

Appears to have limited potential to fund \$5 million annually for the new KRM commuter rail line (including repayment of bond principal and interest) due to uncertainties regarding timing of flow of revenues and how much this source would likely generate. Perhaps could be considered as supplemental revenue source to fund capital costs in the future.

See Appendix 2 that attempts to quantify the amount of revenue that may be generated using averages and assumptions on transit development benefit fee amounts based on and Earthtech/HNTB information.

B. <u>Property tax:</u>	Eliminated from consideration
C. <u>Motor fuel tax surcharge:</u>	Eliminated from consideration (administrative reasons)
D. <u>PCFA</u>	Appears not to be a feasible option
E. <u>Automobile Sales Tax</u> (NAICS category 441)	.3% in 3 counties would generate ~ \$5 million annually
F. <u>Other sources</u>	See Appendix 3